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FOR ACTION

STRENGTHENING MANAGEMENT IN UNICEF

SUMMARY

The present report was prepared in response to decision 1995/7 adopted by the Executive Board at its first regular session of 1995. As requested by the Board, this report constitutes the secretariat's initial response to the recommendations of the management review and includes advice on recommended priorities for action, the initial implementation process, broad priority areas for implementation and funding requirements, as well as an annex covering some issues of perception and fact contained in the management study. Also contained in the report is a draft recommendation on the establishment, including operating budget, of a management task force and a budget for consultancies proposed in the management study.

* E/ICEF/1995/10.

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INTRODUCTION

1. The present report, prepared in response to Executive Board decision 1995/7 on the UNICEF management review adopted at the first regular session of 1995, contains the initial secretariat response to the recommendations of the management review.

2. In line with decision 1995/7, the present report is "an initial step" in sharing with the Board the process of management reform now under way in UNICEF. As decided by the Board, regular reports updating the process and commenting on other sections of the management review will be submitted to the Board at future sessions.

3. The secretariat was requested in the same decision to provide the following information for the second regular session of 1995:

(a) An initial response to the recommendations of the management review, including reference to any disagreements over matters of fact ...;

(b) Advice on recommended priorities for action within the following categories:

(i) Implementation is possible soon and requires no Board action;

(ii) Implementation requires further analysis and consultation;

(iii) Board approval required (especially for structural, financial and staffing aspects);

(c) Outline of broad priority areas for implementation and the estimated monthly timetable for their consideration and action;

(d) Initial advice on the implications of the review for the mandate and mission of UNICEF.

4. Although broad consultation throughout the organization has only just begun, the secretariat is committed to pursuing the full and active involvement of UNICEF staff and National Committees for UNICEF in strengthening management. Staff throughout the organization have responded very positively to this opportunity. The Standing Group of National Committees has just met to begin its own review. Thus, this first response can provide only a broad overview, which is subject to amplification as the consultation and implementation process proceeds.

I. INITIAL RESPONSE

A. Overall strengths of the report

5. The Booz•Allen & Hamilton management study of UNICEF provides a wide-ranging and stimulating management analysis within its terms of reference, which called upon the consultants to seek opportunities for the following:

(a) Improved transparency and accountability;

(b) Better management process and procedures;

(c) More effective organization and structure;

(d) More productive interface with the United Nations, non-governmental organizations (NGOs) and other partners;

(e) Clarification of mission.

6. The study's focus on "the consistently high performance level of UNICEF" and the need to maintain the ability of UNICEF "to attract dedicated workers willing to sacrifice personally for children" were encouraging. UNICEF, under the leadership of its late Executive Director, James P. Grant, became what the consultants call a "fast growth, high-energy organization". Such organizations, the study explains, may produce magnificent results, but leave some stages of organization and business process development neglected and/or under-resourced. Using the study and its recommendations as a catalyst gives UNICEF the unique opportunity to address some of those processes, while giving ever stronger support to UNICEF programmes and advocacy efforts on behalf of children.

7. In accordance with its terms of reference, the study provides a broad range of diagnoses and more than 100 specific recommendations to strengthen management, improve human resources processes and morale, sharpen programme delivery and develop a broad-based and clearer articulation of the UNICEF mission. Certain recommendations, especially those related to structure, must await further developments. Many recommendations, not surprisingly, echo needs and diagnoses expressed within UNICEF for some time. Other recommendations, particularly those related to morale, human resources and the management culture of UNICEF, are so fundamental that, in the secretariat's view, they can and should be addressed immediately.

8. The secretariat recognizes that follow-up to the study must be careful and systematic to ensure that the management reforms undertaken are appropriate and lasting. Members of the Executive Board expressed the same view in the discussion of the report during its first regular session of 1995 in February. The present report is a first step in that follow-up process.

9. As UNICEF moves forward, the "first call for children" must be preserved by maintaining strong support for country programmes and by keeping progress on track towards the mid-decade and year 2000 goals.

B. Issues of perception and fact

10. The secretariat joins the Board in viewing the study as a catalyst for change as opposed to a detailed blueprint for implementation. Much of the analysis and many of the recommendations in the study are sound. At the same time - and as one would expect with such a wide-ranging study - it contains a number of issues where perceptions differ. While important, these do not and should not be used to detract from the overall value of the study. In response to the Board's request as contained in decision 1995/7, the annex to the present report contains some examples. The secretariat addresses here only the two most important ones.

11. First, as many UNICEF staff members have pointed out, the study does not appear to capture adequately the degree to which the multicultural make-up of UNICEF influences, and even defines, the organization's policies, programmes and advocacy. At the same time, the commitment of UNICEF to gender equality and gender analysis is completely overlooked by the study. Moreover, the study is heavily headquarters-focused. Insufficient attention is paid to management improvements required at the field level, which is where 85 per cent of UNICEF staff work and 95 per cent of programme funds are disbursed.

12. Second, the study asserts that "the [Convention on the Rights of the Child] is not adequate as a mission". Quoting the late Executive Director, it adds that "the Convention is an inspiration to us, but it is too broad to be our Mission" (II-7). In fact, James P. Grant saw the Convention as the framework

for all UNICEF work. Speaking to the Third Committee of the forty-ninth General Assembly, he said:

> "The Convention is ... a 'Bill of Rights' for all children, a code of binding obligations for Governments, and a minimum standard of responsible conduct for communities and families with respect to the young ... The 1990 World Summit for Children essentially translated the Convention into a global programme of practical actions to promote and protect the basic rights of children ... UNICEF itself has decided that from now on, the Convention on the Rights of the Child will be the framework for our programmes of cooperation in over 130 developing countries...".

13. Thus, while the Convention is not a substitute for a clear, succinct mission statement for UNICEF, it can and does serve as the most appropriate basis for deriving the organization's long-term mission.

II. RECOMMENDED PRIORITIES FOR ACTION

14. UNICEF internal review, discussion and even implementation of the management study has begun. Since the Board discussion at the first regular session of 1995, a meeting of all UNICEF regional directors, as well as staff meetings in New York, Geneva, Bangkok and other offices, have been held. By the second regular Board session in March 1995, all representatives and senior management are expected to have reviewed the study's recommendations thoroughly with their staff and to have provided feedback to the Acting Executive Director.

15. The secretariat is committed to a participatory process of management reform, characterized by extensive consultations with staff in all parts of the organization, as well as with National Committees for UNICEF.

16. As requested by the Board, recommendations are grouped below in three categories. This categorization is applied to recommendations of the management review in summary chapter XV, parts 4, 5, 6, 7, 9 and 10. Other recommendations will be assessed and categorized after the consultations now in progress and further analysis. The secretariat expects to provide a more comprehensive view of the follow-up process to the Board at the 1995 annual and third regular sessions after all parts of the organization have had a full opportunity to submit comments and suggested solutions. The areas to be covered are outlined in paragraphs 49 to 50 below.

A. Implementation possible soon and requires no Board action

Strengthening human resources management and staff morale (XV-4)

17. In the overall context of strengthening UNICEF management, the secretariat fully recognizes the particular importance of the recommendations in the study related to human resources management, staff morale and staff performance. The study, while commending the creativity and commitment of staff and crediting them for the organization's overall high performance, identifies low staff morale as a major area for improvement. Many staff who responded to the consultants' attitude and opinion survey emphasized the need for review of areas such as performance evaluation, recruitment, rotation and promotion, and training. Despite these problem areas, a high percentage of respondents to the survey (88 per cent) were proud of the job UNICEF is doing worldwide, while an equally high percentage (88 per cent) thought UNICEF should change to ensure its continuing success. These findings indicate a positive climate among staff for initiating change throughout the organization, provided this is accompanied by prompt and effective action to remedy the problems they have identified.

18. While some recommendations in the area of human resources must be assessed carefully and integrated with management change elsewhere in UNICEF, others have

been selected for immediate action. A start is already being made, drawing on the findings of the working groups established during the management study and on initiatives already undertaken by the secretariat during 1994. The areas selected for immediate action include:

(a) Review of the rotation and placement policy;

(b) Clarification of the career development policy to indicate what is "do-able" and the expectations of both staff and management;

(c) Refocusing of training, prioritizing management training for new and senior managers, with a special emphasis on people skills;

(d) Reduction of the number of executive decisions in appointments and the establishment of clear criteria for the use of such decisions;

(e) Review of accountability in the performance appraisal process and the establishment of qualitative and quantitative monitoring indicators;

(f) Restructuring of the Senior Staff Review to take into account broad human resources management concerns, including staff planning and forecasting, career development reviews, and the establishment of rewards and sanctions for performance in managing human resources;

(g) Updating the Personnel Administration Manual;

19. A variety of different mechanisms will be used to carry out the reform agenda, involving consultation among concerned headquarters and field structures, as well as across the Division of Personnel. To benefit fully from the knowledge and experience of staff, their participation will be ensured through continuous consultation with the staff associations and through review groups established by personnel staff at the field level.

20. As well as effecting significant change in human resources policies and procedures, the reform process itself will help to create a shared sense of responsibility and accountability in this crucial area of management. This will be fostered further by the participatory exercise of preparing a mission statement for human resources management and development, currently under way. Endorsement of this statement will contribute to the development of an organization-wide understanding of and commitment to human resources issues.

Clarifying the UNICEF mission statement and mandate (XV-3)

21. In order to facilitate the Board's review and decision on the mission statement for UNICEF, the secretariat will begin immediately background preparations for drafting this statement.

22. The secretariat views dedication to a more clearly and coherently stated mission, developed with broad participation, as an immediate priority for establishing a widely agreed upon sense of purpose as management improvements get under way. Many of the key elements already exist, evolving as they have in the decisions of the General Assembly, the Economic and Social Council and the Executive Board over the years as well as in the organization's policy statements, public positions and ongoing programmes. The Convention on the Rights of the Child and the Plan of Action of the World Summit for Children are two essential elements, the former being a long-term framework. The key parts of these two frameworks also have been reiterated at the International Conference on Population and Development and the World Summit for Social Development. The secretariat sees a natural linkage between the two. They have merged into a powerful force as 170 countries have ratified the Convention and 9 out of 10 children in the world live in a country that has developed its own national programme of action for children.

Emergencies (XV-3)

23. Strengthening the UNICEF response to emergencies is a third area where work can begin almost immediately. UNICEF evaluations of recent experiences in emergency operations already have identified a number of areas for priority action. The management study confirms and reinforces the need for rapid improvements.

24. The former UNICEF Representative in Rwanda has been assigned to lead the work of strengthening and restructuring the UNICEF emergency response capacity both at headquarters and in the field. The work will cover:

(a) Definition of the UNICEF mission in emergencies, a task that will be undertaken in consultation with donors, NGOs and the organization's main emergency United Nations partners. This mission statement will be integrated later into the overall mission statement of UNICEF;

(b) Formulation of appropriate strategies to support the continuing role of UNICEF in emergencies;

(c) Improvement of delivery mechanisms and approaches within this new mission;

(d) Development of procedures for the rapid deployment of experienced UNICEF staff, both for assessment and initial planning as well as for continuing operations;

(e) Development of support packages of supply, finance and staff from donor countries and NGOs, especially in areas where UNICEF expertise is lacking.

25. It is hoped that most of this work will be completed by the end of 1995. Executive Board approval will be needed for paragraph 24 (d) and (e) above once the work in these areas is completed.

Country programming process (XV-5) and integration of programme and administrative budgets for country offices and headquarters (XV-9)

26. The secretariat welcomes the study's recommendation to integrate the programme and administrative budgets. Following this recommendation, the secretariat has begun to review the existing budget framework in terms of medium-term planning, the overall budget policy and structure, budget preparation and submission procedures, and the appropriation and budgeting method in country programme budgets and the administrative and programme support budget. The objective of this exercise is to establish an integrated budget policy and method that will increase transparency and reporting, improve accountability and maintain full correspondence between the budgets and country programme objectives.

27. The secretariat already has taken steps to have joint reviews of budgets and country programmes, starting in 1995, for all countries submitting full or short-duration "bridging" country programme proposals to the Executive Board in 1996. These reviews will cover the proposals for core and project post changes and associated general operating costs for the period of the country programme which, in most cases, would be 1997-2001. Under this arrangement, the administrative and programme support budget would be synchronized with the country programme cycle. As a result of this review, the secretariat will submit in 1996 and 1997 the revised biennial budget for 1996-1997, incorporating essential changes for implementing these new country programmes. As this work progresses, the secretariat will obtain further guidance from the Advisory Committee on Administrative and Budgetary Questions and the Executive Board.

28. A new format for the integrated programme and administrative budget may be submitted to the Advisory Committee and the Executive Board in 1996. It is hoped that the new format will take effect from 1 January 1998.

B. Implementation requires further analysis and consultation

29. The management study contains recommendations for improvement in many areas. Of these, improvements in the following four major areas have particular urgency because of their strategic, value-added nature in the overall operations of UNICEF: (a) supply (XV-6); (b) financial systems (XV-9); (c) information resources management (IRM) (XV-10); and (d) fund-raising, with special reference to the private sector (XV-7). Immediate improvements in these areas should not be postponed. They can make an important, measurable impact on performance and cost-effectiveness as well as on income in the short-term.

30. In-depth follow-up work by consultants is needed in the three areas indicated in paragraph 29 (a), (b) and (c) to find solutions to specific problems raised by the management study. This work should start as soon as possible. Board approval is required to authorize the expenditures required for these consultancies (see paragraphs 33-37 below).

31. Work on the fourth area of fund-raising will be undertaken initially by a small task force composed of individuals with extensive experience in the donor community, with National Committees for UNICEF and in private sector sales. They will examine specific issues raised by the management study and help to outline a strategy and implementation steps.

32. The remaining recommendation areas requiring further initial work - global goals and programming as well as information and communication - will be examined in the secretariat's report on the management study to be submitted to the Executive Board at its third regular session of 1995 (see paragraphs 49-50 below).

C. Board approval required

Consultancies required

33. The management study points to the need for outside consulting advice in three major areas - supply, financial systems and IRM - and the secretariat concurs. Their budgets require Executive Board approval. There is an immediate need to seek solutions in these areas, delving into the specific problems as needed, and then moving ahead with the requisite changes. Estimates of the cost of these consultancies are given in paragraph 51 below. The initial terms of reference are summarized in paragraphs 34-36 below.

34. The secretariat intends to convene three one-day workshops for both users and providers of these services to identify the specific problems and define the terms of reference more precisely. Chaired by the manager of the task force, the workshops are expected to take place in March 1995 before the second regular Executive Board session and will include the management consultant to the Acting Executive Director, the relevant division directors and knowledgeable users of these services from headquarters and the field. The initial estimate of the cost of these consultancies included in the present report may be revised following the workshops. Work to date on detailing the terms of reference by the secretariat, as well as the management consultant, have indicated likely costs in the order of magnitude given in the present report.

Supply (XV-6)

35. The consultant(s) will be required to review and advise on the system and re-engineering changes needed to improve productivity, delivery time and cost-effectiveness, including necessary changes in information management and

the appraisal of user satisfaction. Special priority will be given to identifying ways to obtain high-level performance in response to UNICEF emergency and country programme needs by comparing the actual performance of current financial processes, procedures and systems in fulfilling the supply mandate with actual competitors known to be performing better both inside and outside the United Nations system.

Financial systems (XV-9)

36. The consultant(s) will be required to review and advise on the financial procedures and systems needed to enhance efficiency in financial management at headquarters and in the field in order to achieve greater transparency and accountability. There is a need for an efficient and analytical budgeting process and an integrated budget built on activity-based budgeting that will give field offices greater control of their operations, while maintaining adequate internal control for the organization as a whole. UNICEF needs an efficient system to reconcile headquarters' and field offices' accounts, taking advantage of modern communication and on-line transmission of financial transactions. The organization needs to identify financial software that can meet those requirements.

Information resources management (XV-10)

37. The consultant(s) will be required to review and advise on the IRM mission within UNICEF as well as business processes, including a review of the programme manager and migration projects. The consultant(s) will propose programme, human resources and organizational changes for improvements in services, with particular attention to strategic action needed for the organization to benefit fully, now and in the future, from the latest developments in communication technologies.

III. INITIAL IMPLEMENTATION PLAN AND PROCESS

38. The identification of process, priorities and timetable is viewed as preliminary since the important process of consultation, communication and feedback is just getting under way. Broad ownership of the process is essential for sustainability.

39. The consultation process began immediately after the first regular session of 1995 of the Executive Board in February at a meeting with all UNICEF regional directors. Bringing together both headquarters and field staff in the change process was the beginning of an important interchange within the secretariat. The comments of the regional directors, and those of many representatives and senior staff at headquarters, have guided the preparation of the present report and have launched a participatory process of reviewing the management study and refining its recommendations for implementation. The regional directors will play an essential leadership role in the field over the course of the change process.

40. The regional directors' meeting also helped to define in broad terms the structures that will facilitate the management reform process, elaborating further elements to submit to the Board in the informal note, "Mobilizing for Change", circulated on 6 February 1995. Paragraphs 40 to 50 below outline, for Board approval, the different components of this structure as well as the budget (see paragraph 51 and tables 1 and 2 below). The budget elements are, of course, proposals that will require Board approval.

A. Steering committee

41. A high-level steering committee, which the Executive Board can consider the "point of accountability" for the effective implementation of change, leads

the process. Chaired by the Acting Executive Director or the Executive Director, the steering committee is composed of the Deputy Executive Directors and the task force leader, whose responsibilities are described in paragraph 42 below, supplemented by participation from the regional directors when they are at headquarters. It sets policy and makes key decisions, and has begun to function. The Acting Executive Director has retained the services of the principal consultant of the Booz•Allen and Hamilton management review team, Mr. Jay Berry, to advise him and the head of the task force in the initial stages of the change process. Other consultants will be retained as needed.

B. Task force

42. This full-time task force, led by Mr. Daniel J. Brooks, currently UNICEF Regional Director for East Asia and the Pacific, has overall responsibility for prioritizing, planning, managing, coordinating and monitoring the entire review and implementation process. The task force leader also will be responsible for mobilizing support for the process through widespread participation, as well as for communication and feedback on the process, including the preparation of reports for the Executive Board. He reports to the Acting Executive Director and is a member of the steering committee. The selection of the team leader was announced at the first regular Board session of 1995 in February. Mr. Brooks, who is already working part-time to develop strategy and form the task force, will be in place full-time from 1 May 1995.

43. The task force leader is to be assisted by three full-time staff members, (a deputy, a programme officer/analyst and an assistant/secretary). The deputy will be involved in all of the above processes and will be responsible for operationalizing and facilitating the participation strategy. The programme officer/analyst will assist in the above, as required, with particular responsibility for developing and operating a data and information system for planning and monitoring purposes; analysing feedback for implementation purposes; and strengthening and managing electronic communications (e-mail, Internet, etc.) contact with all parts of UNICEF. The assistant/secretary will manage the budget and provide administrative support.

C. Advisory councils for implementation

44. A global advisory council of selected staff from both headquarters and the field will advise the task force in preparing and evaluating action proposals. The council will be composed of a cross-section of UNICEF staff, reflecting the diversity of levels, categories, cultural background, gender and duty stations, with a clear emphasis on persons who are creative and have leadership abilities, likely to be among the next generation of UNICEF leaders. The secretariat envisages that a representative of the National Committees for UNICEF will be invited to participate in the work of the global advisory council. The secretariat also has requested the staff-at-large to contribute their ideas on the possible composition of the global advisory council.

45. The regional directors also will be establishing regional advisory councils in their respective regions. These are to be comprised of a similar cross-section of staff with recognized potential for contributing to the process. Participants in these councils will add value to and amplify the improvements that are to be undertaken in management. The regional advisory councils too will be established in consultation with UNICEF representatives and local staff associations.

46. At the country level, and in various headquarters divisions, working groups will be established to encourage broad staff participation, not just in analysing, refining and implementing specific recommendations contained in the management study, but also in identifying ways to improve existing processes and structures within those offices and divisions, using the management study as a catalyst for change.

D. Implementation projects

47. An array of implementation projects comprise the core of activities that will carry the process forward in specific areas of action. When further analysis or specific technical advice is needed from outside the organization, it will be obtained through consultancies. Workshops will be used, as during the work of the management consultants, to identify problems and potential solutions. They also may be used as the means to turn agreed upon solutions into action, helping to initiate long-term behavioural changes.

48. Communication in a variety of forms, including more effective use of the Internet, is seen as a strategic element of the process. It ensures not only a true sense of participation, but also a sharing of the very best in ideas for problem-solving. "Listening to" and "responding to" innovative ideas are seen as key parts of the process not only for improved staff morale, but also for ensuring better performance by the organization overall.

IV. TIMETABLE AND BROAD PRIORITY AREAS FOR BOARD REVIEW

49. The secretariat foresees the following broad priority areas for review, with progress reports being submitted to the Board at each of its 1995 sessions:

Second regular session, 20-23 March:

(a) Initial review of the recommendations

(b) Initial plan for strengthening management

(c) Finance and budgeting issues

Annual session, 22-26 May:

(a) General update

(b) Feedback from organization-wide consultations

(c) Report of the Advisory Committee on Administrative and Budgetary Questions

Third regular session, 18-22 September (tentative date)

(a) General update

(b) Mission statement and emergencies

(c) Review results of further investigations and workshops with interim reports on:

(i) The process of improving human resources
(ii) Global goals and programme process
(iii) Information systems (IRM)
(iv) Financial systems
(v) Greeting Card and related Operations
(vi) Supply
(vii) NGOs and other partners

(d) Recommendations on information and communications

50. The above list is necessarily provisional and depends on progress made in the review and consideration of issues. Recommendations related to structure and restructuring, including the creation of the post of Associate Executive

Director, must await the thinking and leadership of the Executive Director when appointed. Changes and reforms in the governance of the organization, as suggested in the management study, also could be discussed by the Executive Board at one of its 1995 sessions should the Board so decide.

V. FUNDING REQUIREMENTS

51. Tables 1 and 2 below provide a summary of the funding requirements for 1995-1996.

Table 1. Operating budget for the management task force

(In United States dollars)

	1995	1996	Total
A. Staff costs (1 D-2, 1 D-1/P-5, 1 P-3 and 1 G-6 from May 1995-December 1996)			
1. 3 Professional staff	295 000	448 000	743 000
2. 1 General Service staff	37 000	58 000	95 000
3. Consultants (Jay Berry: $220,000; consultants for all workshops: $100,000	270 000	50 000	320 000
Subtotal, Staff costs	602 000	556 000	1 158 000
B. Operating costs			
1. Travel: Team leader/staff (Total of 10 trips each per year for leader/deputy, plus 5 trips by programme officer to regions and National Committees)	150 000	150 000	300 000
2. Advisory council meetings (4 global council meetings at $58,250 each; 14 regional council meetings at $30,000 each)	326 500	326 500	653 000
3. Workshops (10 workshops at $80,000 each)	400 000	400 000	800 000
4. Equipment: PCs/fax	27 000	-	27 000
5. Communications/information	25 000	25 000	50 000
Subtotal, Operating costs	928 500	901 500	1 830 000
TOTAL COSTS	1 530 500	1 457 500	2 988 000

Table 2. Summary of the management task force budget and budget for consultancies

(In United States dollars)

	1995	1996	Total
A. Operating budget for the management task force	1 530 500	1 457 500	2 988 000
B. Consultancies per terms of reference			
1. Supply Division	750 000	250 000	1 000 000
2. Financial systems	600 000	400 000	1 000 000
3. IRM	1 000 000	-	1 000 000
Subtotal, Management studies	2 350 000	650 000	3 000 000
TOTAL	3 880 500	2 107 500	5 988 000

VI. DRAFT RECOMMENDATION

52. The Acting Executive Director recommends that the Executive Board approve the following draft recommendation:

The Executive Board,

Having reviewed the report on strengthening management in UNICEF (E/ICEF/1995/AB/L.4,

Approves the establishment of a management task force comprised of 4 posts for the period May 1995 to December 1996. The financial implications for the project, including required consultancies, will amount to $3,880,500 in 1995 and $2,107,500 in 1996, totalling $5,988,000. The requirements for 1995 will be covered through the reallocation of funds from the previously approved 1994-1995 administrative and programme support budget (E/ICEF/1994/AB/L.1 and Corr.1 and Corr.2). The financial implications for 1996 will be covered in the baseline budget for 1996-1997 to be submitted to the Executive Board at its 1995 annual session.

Annex

ISSUES OF PERCEPTION AND FACT IN THE MANAGEMENT STUDY

1. While UNICEF staff and management alike have reacted generally positively to the management study as a stimulus for management improvements, they also have pointed out a number of issues where perceptions differ. Some of these are listed below. These do not negate the overall value of the study as a catalyst for change.

Cost of country programming (V-16)

2. The assertion that country programme preparation "can cost over $1 million per country" (V-16) is misleading. It assumes that all UNICEF staff involved in programme preparation are international Professionals earning $7,500 per month and engaged exclusively in programme preparation. It also suggests that the $1 million per country figure and "the 150 man-months of UNICEF resources by country" (V-16) are averages for most countries. In fact, 150 person-months, even with the qualifications noted below, would only apply to a few of the large UNICEF field offices.

3. Moreover, in any UNICEF country office there are many staff members who do not command the salaries of international Professionals. This point appears to be recognized in other tables of the report providing cost estimates of UNICEF processes. It should be pointed out that, unlike those of many other agencies, UNICEF country programmes are prepared by resident staff and not by visiting missions and consultants. The preparation of a new country programme is undertaken simultaneously with the implementation of the ongoing country programme. The coexistence of these two processes generates significant positive synergy, which, in turn, helps to improve advocacy, service delivery and capacity-building by adjusting priorities, strategies and programmes based on lessons learned.

Funding global goals (VI-6)

4. The study appears to misinterpret the way global funds are used, confusing them with efforts to achieve the global goals. "In 1993, nearly $60 million were spent in global funds supporting realization of global goals; over one-third was retained at headquarters" (VI-6).

5. The criteria for types of staff activities and posts that were to be charged to global funds were defined clearly by the detailed work of the Board-appointed Reference Group in 1991 and approved by the Executive Board in its decision 1992/14 (E/ICEF/1992/14).

6. The overwhelming majority of UNICEF funds to support countries in achieving the goals comes from regular country programme funds - both general resources and supplementary funds. Funds from those two sources amount to more than 10 times the total disbursement from global funds for all purposes. Global funds allocated to the field (approximately $38 million in 1993, including allocations for regional offices and for emergencies) constitute a minor addition (approximately 5 per cent) to the programme budget at the field level for very specific purposes as defined in the guidelines for global funds.

7. Global funds used at headquarters pay the expenses of advisory staff employed to support all UNICEF-assisted activities, not just those related to "global goals". These expenses also include support for inter-agency coordination, collaboration with NGOs, promotion of the Convention on the Rights of the Child, evaluation activities and funding for staff in such areas as women

in development, environment, urban basic services, etc., which UNICEF would continue to support even if "global goals" did not exist.

Greeting Card and related Operations - profitability goal and retention (VIII-19, 22 and 29)

8. The study reports that the UNICEF Greeting Card and related Operations (GCO) "boasts 50 per cent (profitability) margin overall, but only a handful reach that" (VIII-22). It should be noted that the 50 per cent profitability goal is an overall global goal for product sales set by the Executive Board. It is not a goal for every country. In 1993, GCO overall profitability was 47 per cent. GCO sells products in over 100 countries, not 42 as reported in the study. Following a review by GCO of its activities in UNICEF field offices, GCO has repositioned itself to focus, in addition to industrialized countries, on 10 priority developing country markets identified by the GCO study as those with major future potential.

9. The management study refers to the 25 per cent retained by National Committees for UNICEF as "commissions" (VIII-19 and VIII-29) and states that "the commission structure is inconsistently applied and creates distorted incentives". A new Recognition and Cooperation Agreement between UNICEF and National Committees, which went into effect at the end of 1994, standardizes the privileges and responsibilities of all National Committees with UNICEF, including the amount of retention the Committees are authorized to keep for their own operating expenses. In fact, this retention covers the expenses incurred by the National Committees for information, advocacy and educational activities in addition to their administrative costs and the direct costs related to National Committee private sector fund-raising activities, which include product sales. Therefore, the comparison of GCO private sector fund-raising costs with local NGOs (all, but one, being United States NGOs) could lead to some misunderstandings (VIII-29). Private sector fund-raising expenses as a percentage of revenues for 1992-1994 are actually very favourable and on the decline, dropping from 13 per cent in 1992 to 9 per cent in 1994.

Information/communication (IX 9-16)

10. The study fails to highlight that the primary aim of the UNICEF communication effort is advocacy for children rather than public relations for the organization itself.

11. The figures of staff (400) and resources ($25 million) devoted to "communications" are confusing (IX-12). In fact, there are 220 information/communication professionals working for UNICEF, slightly more than one half the number given. Similarly, the most transparent data (information codes 40, 41 and 44) on what UNICEF spends globally on "communications", excluding staff costs, yield a figure of a little over $6.7 million in 1994 (not $25 million) and includes headquarters, regional and all field offices. While there is undoubtedly a need to have only one division in charge of UNICEF publications, it must be clear that, in line with the 1994 work plan, the Division of Information produced 24 not 45 publications (IX-9), the production costs of all of which are available. The costs for the flagship publications Progress of Nations and The State of the World's Children as given are incorrect (IX-16): the Progress of Nations is published in English, French, Spanish and Arabic, with a total print run of 103,500 not 45,000; the State of the World's Children material in these four languages included 130,400 reports, 20,300 press kits and 106,500 summaries, not just 82,000 copies.

Information resources management: cost and scope of systems (XI-5)

12. The study incorrectly states that in 1991 the [Programme Manager] "Committee called for cost of $1.8MM" and that in December 1994 "the current IRM estimates [are] $15MM" (XI-5). The comparison is not valid. The original

estimate did not include the provision of computer hardware for 86 field offices. It is misleading to attribute routine expenditures for hardware to the programme manager system. The computerization of field offices is a separate responsibility, quite unrelated to the programme manager system per se.

The most effective Boards (XIV-8)

13. The study calls upon the Board to "try to reduce meeting frequency and intensify the focus of their work" (XIV-8). It compares days/year of the UNICEF Board (16) against those of other institutions and cautions that the number of days required for Executive Board meetings may pose a problem.

14. The year 1995 marks the second year in which the new working arrangements of the Executive Board are in effect, so it is not yet possible to assess fully the time which may be involved. Even so, the management study appears to underestimate greatly the number of days taken up with Board and Board-related meetings.

15. According to the secretariat's estimate, Board meetings appear likely to take up approximately 33 days per year (18 days for Executive Board meetings, 8 days for pre-Board and Bureau meetings, 2 days each for meetings of the UNICEF/World Health Organization Joint Committee on Health Policy and the United Nations Educational, Scientific and Cultural Organization/UNICEF Joint Committee on Education and approximately 3 days for other informal meetings with the Board).

16. Increasingly, preparation for the Board is requiring much more time of senior staff at headquarters than in the past, leaving them with much less time for providing guidance and servicing field offices. The consultants' estimate does not include staff time required for the preparation of Board documentation and reports.

17. The secretariat notes this, not to suggest that immediate action should be taken to shorten or abandon any of the meetings mentioned above, but rather to illustrate that the time allocation issue raised in the study is even more serious than the analysis suggests.